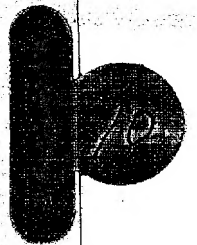


OGC HAS REVIEWED.



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23 February 1957

MEMORANDUM FOR: Lawrence R. Houston

[redacted] 25X1A9a

SUBJECT

: Claim of

[redacted] 25X1A9a

[redacted] 25X1A2e

- P)

25X1A2e

1. As an outgrowth of [redacted] termination by FI she suffered a considerable loss of personal property. This loss would appear to be a basis for liability by the Agency. For convenience two separate claims were made. First a claim prepared internally on the basis of statements submitted by [redacted] for loss or damage to household effects. The amount claimed was about \$3,000 and the Headquarters Board of Survey recommended approval to the DD/S in the amount of about \$2,000. I understand he has approved this claim and that it is held at the moment by [redacted] (or possibly by [redacted])

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2. [redacted] separate claim is for the loss of professional files in the amount of \$15,000. Her attorney forwarded this to me and I received it on 21 February in three copies. The letter to me and the original is attached to Houston's copy of this memorandum. A carbon is attached to the copies of [redacted] and [redacted]. Although the amount of the claim is probably excessive, the question of liability seems even clearer than in the claim already approved since, in addition to the facts considered by the Headquarters Board of Survey in the earlier claim, in the case of these files there appears to have been an admission by the CIA agent in custody that he had personally destroyed these files thinking them of no value.

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3. On 4 December 1956 I met with [redacted] and her attorney in company with [redacted] of [redacted] Houston and [redacted] already have copies of my report on this matter and a copy of the report is attached to [redacted] copy of this memorandum.

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4. The recommendation of the Headquarters Board of Survey at the time it considered this case was that a fixed dollar amount be authorized in reimbursement for the loss and damage of effects, and that for the loss of files approval be given to the payment of such amount as might be negotiated by the Office of General

Counsel. My recommendation in the memorandum of the meeting of 4 December remains valid. I suggest that \$5,000 be offered in full settlement not only of the two major items mentioned but of two minor items, a debit and a credit raised in paragraph 3 of the memorandum just referred to, which amounts FE can determine specifically.

5. Since the Headquarters Board of Survey has made its findings of fact and liability on the circumstances from which both claims arose and has recommended payment subject only to the determination of amount, it would appear that the next suitable action is submission of a recommendation to the DCI, since the financial authority of the DD/S would be exceeded in this claim. Thereafter, if the DCI approves a \$5,000 settlement, OGC could propose such a settlement to [] attorney. If this amount is not acceptable it may be necessary to submit the matter again to the DCI for authority to pay a higher amount. Perhaps this repetitiveness could be avoided if the General Counsel and the DD/S secured from the DCI authority to settle up to a higher amount, whatever is felt justified under the circumstances, with the expectation that within that limit they would continue to seek the most advantageous settlement.

6. Although FE must provide some detailed information, it would appear that the situation has gone beyond fact-finding to questions of policy, and that OGC and DD/S are the most concerned with taking any additional steps that may be necessary.

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[]
Assistant General Counsel

Attachments

OGC/RPB:jf:bb

Distribution

Orig. - Addressee

1 - [] 25X1A9a
1 - Subject
1 - Signer ✓
1 - Chrono

SECRET